



**Department of Justice
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PHARMACIST CONVICTED OF PURCHASING CHINESE COUNTERFEIT DRUGS

HOUSTON, TX – James George, a licensed pharmacist, was convicted by a jury's verdict of conspiracy to introduce in interstate commerce counterfeit and misbranded pharmaceutical drugs and trafficking in counterfeit drugs from China. United States Attorney Don DeGabrielle noted that the jury deliberated less than two hours before finding George guilty on all six counts alleged in the indictment. The verdict was returned on May 24, 2006.

At sentencing, which is scheduled for July 7, 2006, George faces a maximum of five (5) years imprisonment for the conspiracy conviction, three (3) years for the misbranding conviction, three (3) years each for the two counterfeiting of pharmaceutical drugs convictions and 10 years each for trafficking in counterfeit goods convictions. George also faces fines of \$250,000 for the conspiracy count, \$10,000 each for the misbranding and counterfeiting of pharmaceutical drugs, and \$2,000,00 for each trafficking in counterfeit goods conviction.

During the two-day trial, the United States presented evidence showing that on November 5, 2004, Immigration and Customs Enforcement (ICE) inspectors at the Dallas Fort Worth Airport examined a large package that had arrived from China with shipping documents identifying its contents as health food. However, inspectors found large quantities of the pharmaceutical drugs Viagra and Cialis, instead. ICE special agents assigned to the airport were notified of the discovery.

Suspecting the pharmaceutical drugs were counterfeit, ICE agents notified Pfizer Pharmaceuticals, the manufacturer of Viagra, to verify the authenticity of the drugs. Checking the lot numbers, Pfizer confirmed the drugs were counterfeit. Eli Lilly, the manufacturer of Cialis, also confirmed the Cialis tablets were counterfeit.

Agents then turned their attention to identifying the person who ordered the counterfeit drugs. The address of the invoice indicated the package was being shipped to 16422 Concord Falls Lane, Sugarland, Texas. After making several inquiries, agents determined the address listed on the invoice and shipping documents was the home of James George, a licensed pharmacist in Houston, Texas. Agents also determined that George was the owner of LIFEWAY PHARMACY, which was located on the 1300 block of Holland Ave, Suite D, in San Jacinto, Texas.

ICE agents secured the assistance of the Food and Drug Administration (FDA) in Dallas

and Houston, and arranged for a “controlled delivery” of the counterfeit drugs to George. On December 9, 2004, an FDA agent posing as an employee of a delivery company contacted George by telephone, asking whether he would accept delivery of the package he ordered from China. George told the undercover FDA agent he was expecting a package containing health products, such as vitamins, and agreed to accepted delivery at his pharmacy.

On December 13, 2004, an FDA undercover agent met with George at his pharmacy and delivered the package containing 1,000 counterfeit Cialis tablets and over 4,500 Viagra counterfeit tablets. George was asked to look inside the package to confirm that it contained the merchandise he had ordered from China. After signing a document confirming his receipt of the package, George was advised of the identity of the FDA agent. When confronted by the agent as to why he was importing drugs from China, George told the agent then, and told the jury during trial, that he did not know the drugs were counterfeit and had planned to send the drugs to Nigeria.

Testimony proved that the average wholesale price for Viagra tablet is \$9.55 and that George ordered the drugs from China over the internet from Joyce Zhen, who was identified at trial as the co-conspirator, for 30 cents a tablet. The jury was also informed that the average wholesale price for a Cialis tablet is \$13.55, and that George paid 35 cents for each tablet of the counterfeit drug.

This case is the result of the investigative efforts of the U.S. Immigration and Customs Enforcement field offices in Dallas and Houston, and the Food and Drug Administration, Office of Criminal Investigations in Dallas, Austin and Houston, and the invaluable assistance of Pfizer and Eli Lilly pharmaceutical companies. This case is being prosecuted by Assistant United States Attorneys Samuel J. Louis and Stuart Burns.

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